



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
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No. 2004/032

May 20, 2004

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

PROPERTY TAX RULE 138,
EXEMPTION FOR AIRCRAFT BEING REPAIRED, OVERHAULED,
MODIFIED OR SERVICED

On September 29, 2003, the Board received a petition pursuant to Government Code section 11340.6 from Honorable Joan Thayer, President, California Assessors' Association (CAA), proposing that the Board commence the rulemaking process to amend Property Tax Rule 138, *Exemption for Aircraft Being Repaired, Overhauled, Modified or Serviced*. At a meeting on December 4, 2003, the Board directed staff to work with interested parties to discuss the issues that were raised in the petition and to schedule the rule for the Property Tax Committee.

Enclosed is a matrix showing the change to Rule 138 proposed by the CAA in the petition. If you have comments about the proposed amendments, please submit your comments by June 25, 2004 to Mr. James Anderson in the Property and Special Taxes Department. You may email your submission to james.anderson@boe.ca.gov.

The project is tentatively scheduled to proceed as follows:

- June 25, 2004: Deadline for interested parties to submit comments.
- August 2004: Staff to post a copy of a matrix summarizing comments received from interested parties to the Board's Web site (www.boe.ca.gov/proptaxes/ptcwcont.htm).
- September 2004: Staff to meet with interested parties to discuss the proposed amendments.
- December 2004: Property Tax Committee to consider petition to amend the rule.

All documents regarding this project will be posted to the Board's Web site at www.boe.ca.gov/proptaxes/ptcwcont.htm. If you have questions regarding this project or would like to receive future documents concerning this project electronically, you may contact Mr. Anderson at (916) 323-5688.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:ja
Enclosure

PROPERTY TAX RULE 138,
Exemption for Aircraft Being Repaired, Overhauled, Modified or Serviced

Petition for rule amendment by the
California Assessors' Association – September 25, 2003

NO.	SUBSECTION	PROPOSED LANGUAGE
1	(b)	<p>QUALIFYING CERTIFICATED AIRCRAFT. Aircraft that qualify for exemption include certificated aircraft that have been taken out of revenue service by an air carrier:</p> <p>(1) for the purpose of being repaired, overhauled, modified, or serviced; and,</p> <p>with an executed contract or a specific written plan for the purposes described in subsection (b) (1)</p> <p><u>Aircraft in California primarily for the purpose of storage may require incidental maintenance or servicing related to storage. Such aircraft do not qualify for the exemption.</u></p>